

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01

H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

ACDA-19 DRC-01 /198 W

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P R 311050Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 2858

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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USMISSION GENEVA

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UNCLAS SECTION 01 OF 02 OECD PARIS 13276

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: OECD MINISTERIAL COUNCIL MEETING MAY 29-30:
HARTMAN STATEMENT ON OECD COOPERATION ON ENERGY
POLICIES.

1. FOLLOWING IS TEXT OF STATEMENT MADE BY ASSISTANT
SECRETARY ARTHUR A. HARTMAN TO OECD MINISTERIAL COUNCIL
MEETING MAY 30 ON OECD COOPERATION ON ENERGY POLICIES.

BEGIN TEXT

THE SERIOUS CHALLENGES OF THE ENERGY CRISIS HAVE BEEN
MET IN OUR VIEW WITH A CLEAR DEMONSTRATION BY THE IN-
DUSTRIALIZED COUNTRIES OF THEIR ABILITY TO COOPERATE.
WE BELIEVE THAT THE POLITICAL WILL AND THE MOMENTUM ARE
PRESENT AND WILL ENABLE US TO COMPLETE THE INITIAL
PHASE OF THE MULTILATERAL EFFORTS IN WHICH THE OECD
HAS PLAYED AND CONTINUES TO PLAY AN IMPORTANT ROLE.

TWO YEARS AGO THIS MONTH, WELL BEFORE THE ENERGY CRISIS
HAD ERUPTED, THE MINISTERIAL COUNCIL INITIATED THE LONG
TERM ENERGY ASSESSMENT. THAT ASSESSMENT IS THE KIND OF
FUNDAMENTAL WORK WHICH IS VITAL IN INSURING THAT MEMBER
GOVERNMENTS BASE THEIR POLICIES ON THE BEST AVAILABLE
INFORMATION AND ANALYSIS.

MOREOVER, THE ORGANIZATION HAS NOT BEEN PAROCHIAL IN
ITS APPROACH TO THE ENERGY PROBLEM. SOME OF ITS
RECENTLY UNDERTAKEN ENERGY PROJECTS ARE FRUITFULLY
RELATED TO THE WORK OF THE ENERGY COORDINATING GROUP
IN A WAY THAT SHOWS THE OECD CAN ADAPT PROMPTLY AND
FLEXIBLY TO NEW REQUIREMENTS. I REFER SPECIFICALLY TO
THE AD HOC GROUPS ON THE ACCELERATED DEVELOPMENT OF
CONVENTIONAL ENERGY RESOURCES AND ON ENERGY CONSERVA-
TION -- IN ADDITION TO THE ALREADY ESTABLISHED GROUP

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CONCERNED WITH OIL SHARING IN TIMES OF EMERGENCY --
AND TO THE VALUE OF THE OECD'S OIL MARKET FORECASTING
WORK FOR THE ENERGY COORDINATING GROUP.

MY GOVERNMENT IS IN BROAD AGREEMENT WITH THE INITIAL
TENTATIVE FINDINGS OF THE LONG TERM ENERGY ASSESSMENT
WHICH THE SECRETARY GENERAL HAS SUMMARIZED IN THE
DOCUMENT BEFORE US.

WE AGREE THAT, CONTRARY TO PRE-CRISIS ESTIMATES, THE VOLUME OF OIL IMPORTED ANNUALLY INTO THE OECD AREA DURING THE REMAINDER OF THE 1970S WILL PROBABLY NOT EXCEED THE VOLUME OF IMPORTS IN 1973, ASSUMING THAT INTERNATIONAL OIL PRICES REMAIN NEAR PRESENT LEVELS. PRICES ARE THE HEART OF THE ENERGY PROBLEM. MY GOVERNMENT BELIEVES THAT THE BEST SOLUTION, AND THE SOLUTION THAT WOULD BE IN THE LONGER RUN INTEREST OF THE PRODUCERS AS WELL, WOULD SUBSTANTIATE REDUCTION IN OIL PRICES.

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ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 AEC-11 AID-20 CEA-02

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H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

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P R 311050Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 2859

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

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MY GOVERNMENT ALSO AGREES THAT CONSERVING ENERGY AND RESTRAINING DEMAND WOULD ACHIEVE SIGNIFICANT AND EARLY PROGRESS ON THE DEMAND SIDE OF THE ENERGY EQUATION AND SHOULD BE GIVEN HIGHEST PRIORITY.

WE IN THE UNITED STATES BELIEVE STRONGLY THAT ADDITIONAL RESOURCES SHOULD BE DEVOTED BOTH TO OVERCOMING THE TECHNICAL OBSTACLES AND TO EXAMINING THE ECONOMIC OR FINANCIAL ISSUES WHICH MIGHT CONSTRAIN PROGRESS TOWARD GREATER SELF-SUFFICIENCY IN INDIGENOUS ENERGY PRODUCTION. THE FACT THAT NEW TECHNOLOGIES ARE NOW BECOMING ECONOMICALLY ATTRACTIVE INCREASES THE LIKELIHOOD OF ATTAINING THIS GOAL.

THE MATTER OF ENERGY PRICING POLICIES HAS BEEN NOTED BY THE SECRETARIAT AS AN AREA IN WHICH EXCHANGES OF INFORMATION ON OIL COMPANY OPERATIONS COULD BE HELPFUL TO NATIONAL AUTHORITIES. THE UNITED STATES IS PREPARED IN PRINCIPLE TO COOPERATE WITH OTHER GOVERNMENTS IN A MUTUAL EXCHANGE OF SUCH INFORMATION. WE RECOGNIZE, OF COURSE, THAT NOW IT IS THE PRODUCING COUNTRIES AND NOT THE OIL COMPANIES THAT MAKE THE BASIC DECISIONS ON PETROLEUM PRICES AND SUPPLY. WE BELIEVE THAT FURTHER STUDY IS NECESSARY TO DETERMINE MORE PRECISELY WHAT KIND OF INFORMATION MIGHT USEFULLY BE EXCHANGED BY GOVERNMENTS. WE ALSO BELIEVE THAT THE ARRANGEMENTS THAT ARE FINALLY AGREED TO SHOULD BE CAREFULLY DRAWN TO ENSURE THAT THEY

DO NOT PREJUDICE COMPETITION AMONG OIL COMPANIES.

MY GOVERNMENT WELCOMES THE STEPS BEING TAKEN BY THE
SECRETARY GENERAL WITHIN THE SECRETARIAT TO WORK TOWARD
OUR GOALS IN THE ENERGY FIELD. WE APPLAUD THE RECENT
APPOINTMENT OF A SPECIAL COUNSELLOR TO THE SECRETARY
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GENERAL TO COORDINATE ENERGY AFFAIRS AND TO HEAD THE
NEWLY ESTABLISHED ENERGY DIRECTORATE. WE ALSO SUPPORT
THE PROPOSED AMENDMENT TO THE PROCEDURES FOR COMPLETING
WORK ON THE LONG TERM ENERGY ASSESSMENT. WE THINK THAT
THE QUESTION OF WHETHER THE REPORT SHOULD BE SUBMITTED
TO THE COUNCIL AT MINISTERIAL LEVEL WOULD, HOWEVER, BE
BETTER ADDRESSED AT A LATER TIME WHEN THE REPORT IS
NEARER COMPLETION AND OTHER ENERGY ACTIVITIES ARE MORE
CLEARLY IN FOCUS.

IN CONCLUDING, LET ME RESTATE IN THE BRIEFEST POSSIBLE
WAY THE CENTRAL THRUST OF MY REMARKS. IT IS THAT CO-
OPERATION HAS BEEN AND MUST CONTINUE TO BE OUR COMMON
RESPONSE TO THE ENERGY CRISIS. MY GOVERNMENT SEES NO
ALTERNATIVE AND DOES NOT INTEND TO SEEK ANOTHER ALTERNA-
TIVE, FOR WE ARE CONVINCED THAT NONE EXISTS. I HOPE AND
TRUST THAT THIS CONVICTION IS SHARED BY ALL WHO ARE
PRESENT TODAY.

END TEXT

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